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SENSITIVE

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SUBJECT: ARMENIA: PRESIDENT SARGSIAN DEFENDS

TURKEY-ARMENIA DEAL, DOWNPLAYS EARLY BREAKTHROUGH ON N-K

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importance of Armenia's relationship with Russia, lauded

constructive role of the U.S. in

Armenia-Turkey rapprochement, and downplayed the possibility for a near-term

resolution of the Nagorno-Karabakh conflict. END SUMMARY

RUSSIAN-ARMENIAN "STRATEGIC" PARTNERSHIP

12. Sargsian opened his remarks with a reference to the ongoing importance of the Armenian-Russian strategic partnership, which he said is based on economic cooperation, joint participation in the Collective Security Treaty Organization (CSTO), and the large Armenian diaspora in Russia. Sargsian also highlighted the help Armenia received from Russia in the form of a \$500 million USD loan that helped to mitigate the effects of the economic crisis.

U.S.- ARMENIA RELATIONS

13. Sargsian painted a positive picture of the bilateral relationship with the U.S., citing economic, security, and democracy projects as areas of continued close cooperation. Sargsian emphasized the important role played by the Armenian Diaspora in ensuring that the U.S. Congress continued to support the country with development assistance. Sargsian also made positive remarks about the U.S. Government's constructive involvement in Armenia-Turkey rapprochement and dismissed critics' claims that the talks had prevented the U.S. President from publicly acknowledging the Armenian Genocide.

NAGORNO-KARABAKH PEACE PROCESS

¶4. Sargsian went to lengths to assure the MFA and his wider audience that his government was conducting all negotiations on the N-K peace process in a transparent and open manner. Rather defensively, Sargsian stated that his government had not failed to inform the public on its intentions vis-a-vis the Madrid Principles, and that publication of the principles proved that he had never tried to mislead the public. He acknowledged that the Madrid Principles had certain weak points, but pointed out that the central issue of N-K self-determination was preserved. Taking a stab at the political opposition, Sargsian noted that N-K's final status was a "sacred issue", and described

the efforts of those who would stop the process as nothing more than "petty profiteering".

¶5. Sargsian downplayed the possibility of a short-term breakthrough on N-K, assuring his listeners that the N-K peace process was a lengthy one that would require "more than a matter of days, weeks, or even months" to resolve. Sargsian stated that current negotiations only covered the basic principles of a settlement. Agreement on these basic principles would be followed by further negotiation on complex individual principles. During the negotiation process, Sargsian noted, it was Armenia's priority to ensure N-K's security while being its advocate to the international community.

NORMALIZING TURKISH-ARMENIAN RELATIONS

16. Sargsian referred to the Armenia-Turkey joint-statement of August 31 as a sign of the success of his decision to invite the Turkish President to Armenia the previous year, and his policy to pursue normalized relations. He stated that the protocols on the establishment of diplomatic relations and development of

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bilateral relations demonstrated that Armenia's interests would be protected in three vital ways:

- Negotiations with Turkey and agreement on establishing relations have no preconditions related to the peaceful settlement of N-K;
- 2) Historical issues related to the Genocide will not be discussed by historians but rather within one of the subcommissions of the intergovernmental commission; and
- 3) A hearty and vigorous public debate within Armenia will precede the signing of these important agreements.
- 17. Sargsian closed his speech with a reminder to senior diplomats about the importance of their work for Armenia's national security. Sargsian also noted that since becoming president he had made 10 ambassadorial appointments, of which only two had been political appointees. He pointed to this as a sign of his commitment to the Armenian Dipcorps and his trust in their professional judgment.

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